

**MINUTES OF THE STANDING COMMITTEE ON  
INSURANCE**

**Thursday, February 14, 2008**

**9:30 A.M**

**Room 521 House Office Building**

**Chairman Virgil Smith** called the meeting to order.

**MEMBERS PRESENT:** Reps. Virgil Smith, Farrah, Condino, Constan, Lemmons, Polidori, Scott, Simpson, Wojno, Hune, Emmons, Hildenbrand, Moore, Rocca, Gaffney. (15/17)

**MEMBERS ABSENT/EXCUSED:** Reps. Johnson, David Law. (2/17)

**Representative Condino** moved to adopt the minutes of the December 6, 2007 meeting. There being no objections, the minutes were approved.

**Representative Lemmons** moved to excuse absent members. There being no objections, absent members were excused.

**Chairman Virgil Smith** laid **SB 1061** and **SB 1062** before the committee.

SB 1061    Sanborn                    Insurance; other; captive insurance companies; regulate.

SB 1062    Sanborn                    Business tax; other; taxation of certain insurance companies;  
exclude.

**Senator Gretchen Whitmer** testified before the committee in support of **SB 1061** and **SB 1062**.

**Representative Barb Byrum** testified before the committee in support of **SB 1061** and **SB 1062**.

**John Brown**, representing Jackson National Life Insurance Company, testified before the committee in support of **SB 1061** and **SB 1062**.

**Brian Sydnor, Diane Bissel and Judy Weaver**, representing the Michigan Office of Financial and Insurance Services, testified before the committee in opposition to **SB 1061**.

**Peter Kuhnmuensch**, representing the Insurance Institute of Michigan, turned in a testimony card in support of **SB 1061** and **SB 1062** but did not wish to speak.

**Representative Farrah** moved to report **SB 1061** with recommendation.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Virgil Smith, Farrah, Condino, Polidori, Wojno, Hune, Emmons, Hildenbrand, Moore, Rocca, Gaffney. (11/17)

**NAYS:** Rep. Constan. (1/17)

**PASS:** Reps. Lemmons, Scott. (2/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Hune** moved to report **SB 1062** with recommendation.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Virgil Smith, Farrah, Condino, Polidori, Wojno, Hune, Emmons, Hildenbrand, Moore, Rocca, Gaffney. (11/17)

**NAYS:** Rep. Constan. (1/17)

**PASS:** Reps. Lemmons, Scott. (2/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Chairman Virgil Smith** laid **HB 5453** before the committee.

HB 5453    Hune                      Insurance; no-fault; coverage for personal protection insurance (PIP); allow certain individuals to waive.

**Representative Joe Hune**, sponsor of the legislation, testified before the committee.

**Pete Kuhnmuench**, representing the Insurance Institute of Michigan, testified before the committee in support of **HB 5453**.

**Laura Appel**, representing the Michigan Health and Hospital Association, testified before the committee in support of **HB 5453**.

**Scott Hummel**, representing the Michigan Association of Insurance Agents, testified before the committee in support of **HB 5453** with an amendment.

**Teri Morante**, representing the Michigan Insurance Coalition, testified before the committee in support of **HB 5453**.

**Brian Sydnor**, representing the Michigan Office of Financial and Insurance Services, turned in a testimony card with a neutral position on **HB 5453** but did not wish to speak.

**Carol Hutchinson**, representing Farmers Insurance, turned in a testimony card in support of **HB 5453** but did not wish to speak.

**Bill Cilluffo**, representing AAA, turned in a testimony card in support of **HB 5453** but did not wish to speak.

**Carl Alden**, representing the Michigan Association of Chiropractors, turned in a testimony card in opposition to **HB 5453** but did not wish to speak.

**Bill Kandler**, representing the Michigan Orthopaedic Society, turned in a testimony card in opposition to **HB 5453** but did not wish to speak.

**Representative Farrah** moved to adopt the **(H-1) substitute** to **HB 5453**.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Virgil Smith, Farrah, Condino, Constan, Lemmons, Polidori, Scott, Simpson, Wojno, Hune, Emmons, Hildenbrand, Moore, Rocca, Gaffney. (15/17)

**NAYS:** None. (0/17)

**PASS:** None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Hune** moved to adopt the following **amendment** for **HB 5453 (H-1)**:

1. Amend page 13, line 25, by striking out all of section 3113 and inserting:  
"Sec. 3113. A person is not entitled to be paid personal protection insurance benefits for accidental bodily injury if at the time of the accident any of the following circumstances existed:

(a) The person was using a motor vehicle or motorcycle which he or she had taken unlawfully, unless the person reasonably believed that he or she was entitled to take and use the vehicle.

(b) The person was the owner or registrant of a motor vehicle or motorcycle involved in the accident with respect to which the security required by section 3101 or 3103 was not in effect.

(c) The person was not a resident of this state, was an occupant of a motor vehicle or motorcycle not registered in this state, and was not insured by an insurer which has filed a certification in compliance with section 3163.

**(D) THE PERSON WAS 65 YEARS OF AGE OR OLDER AND WAIVED COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PURSUANT TO SECTION 3107 (2)."**

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Virgil Smith, Farrah, Condino, Constan, Lemmons, Polidori, Scott, Simpson, Wojno, Hune, Emmons, Hildenbrand, Moore, Rocca, Gaffney. (15/17)

**NAYS:** None. (0/17)

**PASS:** None. (0/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

**Representative Hildenbrand** moved to report **HB 5453** as an **(H-2) substitute**, with recommendation.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Virgil Smith, Farrah, Wojno, Hune, Emmons, Hildenbrand, Moore, Rocca, Gaffney. (9/17)

**NAYS:** None. (0/17)

**PASS:** Reps. Condino, Constan, Lemmons, Polidori, Scott, Simpson (6/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

There being no further business before the committee, **Chairman Virgil Smith** declared the meeting adjourned, the time being **11:29 a.m.**

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Representative Virgil Smith, Chair

Eric Esch, Committee Clerk (517) 373-0070